

85-3826/13

201103

MEMORANDUM FOR: Director of Central Intelligence  
THROUGH: Deputy Director of Central Intelligence  
Executive Director  
FILE # 30-12  
FROM: Harry E. Fitzwater  
Deputy Director for Administration  
SUBJECT: Fiscal Year 1985 Reports to the President and Congress under  
the Financial Integrity Act

1. Attached, for your signature, are reports required by the Federal Managers' Financial Integrity Act of 1982. These reports are for submission to the President and Congress by 31 December of each year.

2. The reports comply with the reporting requirements of the Act for both internal controls and the accounting system in operation during fiscal year 1985 as certified to by the responsible senior officials. Although we have identified no material weaknesses in internal controls to be reported, we do believe it is appropriate to acknowledge the four loss of fund situations of relative significance which are cited in the reports. Basic data on these cases is summarized for your information in an attachment.

3. Also attached are the fiscal year 1985 certifications from the Directors of Intelligence Community Staff and National Intelligence Emergency Support Office, the Deputy Directors, Heads of Independent Offices, and the Director of Finance.

*Harry E. Fitzwater*

Harry E. Fitzwater

Attachments

**Page Denied**

85-772

Director  
Intelligence Community Staff

Washington, D.C. 20505

DCI/ICS 85-7201  
25 October 1985

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence  
Inspector General, Central Intelligence Agency

STAT

FROM: Director, Intelligence Community Staff

SUBJECT: Financial Integrity Act of 1982

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REFERENCE: a. [redacted] dated 8 Sep 1982  
b. [redacted] dated 6 Dec 1983  
c. Memo from Inspector General dated 7 Dec 1983, same subject  
d. OMB memo 85-5 dated 22 Oct 1984, subject: "Second-Year Implementation of the Financial Integrity Act"

In accordance with Section 2 of the Federal Managers' Integrity Act of 1982, I have reviewed the internal accounting and administrative controls for the Intelligence Community (IC) Staff for the Fiscal Year ended 30 September 1985. Within the IC Staff I have limited delegations of authority to manage resources to the highest practicable level, which I believe strengthens the internal control system of checks and balances in assuring sound management of Staff resources. I believe the IC Staff to be in reasonable compliance with the standards prescribed by the Comptroller General for accounting, auditing, and internal accounting and administrative control systems. To the best of my knowledge, the activities taking place during FY 1985 within the IC Staff have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner, and the internal accounting and administrative controls are operational and effective.

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21 November 1985

MEMORANDUM FOR: Deputy Director of Central Intelligence  
 VIA: Inspector General

25X1  
FROM:

[REDACTED]  
 Director, National Intelligence Emergency  
 Support Office

SUBJECT: Federal Manager's Financial Integrity Act  
 Annual Certification

25X1  
REFERENCE: [REDACTED] Internal Accounting and  
 Administrative Control Directive, dtd 6 Dec 83

25X1  
 Below is my certification in accordance with Headquarters  
 Notice [REDACTED]

"To the best of my knowledge, the activities that took place during FY 1985 within the National Intelligence Emergency Support Office were appropriately approved and carried out in accordance with law and Agency regulations. Obligations were valid and supported in accordance with Agency regulations. Expenditures were properly approved. Due care was exercised to protect resources from misuse and misappropriation. Activities were managed in an efficient and effective manner. Internal accounting and administrative controls were operational and effective."



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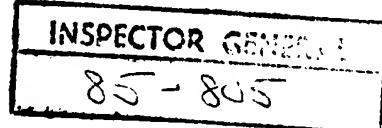
DCI  
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DS&T-1023-85

13 NOV 1985

MEMORANDUM FOR: Executive Director

THROUGH: Inspector General

FROM: R. E. Hineman  
Deputy Director for Science and Technology

SUBJECT: Federal Managers' Financial Integrity Act

To the best of my knowledge, the activities taking place during FY-85 within the Directorate of Science and Technology have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.

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R. E. Hineman



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DDI- 05509-85-

4 NOV 1985  
55-3777

MEMORANDUM FOR: Executive Director

THROUGH: Deputy Director for Administration

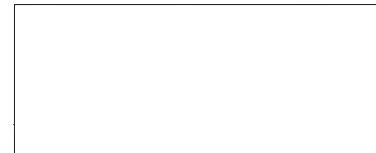
FROM: Robert M. Gates  
Deputy Director for Intelligence

SUBJECT: Internal Accounting and Administrative Control

STAT

REFERENCE:

To the best of my knowledge, the activities taking place during FY-85 within the Directorate of Intelligence have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.



Robert M. Gates

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22 NOV 1985

DD/1  
S25-4013

MEMORANDUM FOR: Executive Director

VIA: Deputy Director for Administration

FROM: Clair E. George  
Deputy Director for Operations

SUBJECT: Agency Internal Accounting and Administrative  
Control Systems

REFERENCE: [REDACTED] Annual Statement in Accordance  
With The Federal Manager's Integrity Act

1. In conformance with referenced regulation, I certify that to the best of my knowledge, the activities taking place in Fiscal Year 1985 within the Directorate of Operations, except as noted below, have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner, and internal accounting and administrative controls are operational and effective.

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[REDACTED]

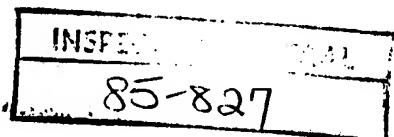
Clair E. George

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[REDACTED]

S-E-C-R-E-T

ADMINISTRATIVE - INTERNAL USE ONLY



DDA 85-3826/10

22 NOV  
1985

MEMORANDUM FOR: Executive Director

VIA: Inspector General

FROM: Harry E. Fitzwater  
Deputy Director for Administration

SUBJECT: Federal Manager's Integrity Act

STAT

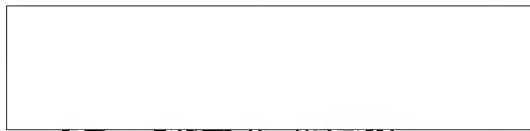
REFERENCE:

1. To the best of my knowledge, the activities taking place during FY 1985 within my Directorate have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.

2. Attached is a certifying statement from the Director of Finance regarding Agency revenues and expenditures applicable to operations for 1985 as required. Additionally, certified statements signed by each of the DA Office Directors attesting to the 1985 financial activities of their offices are on file in the DA registry section.

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Attachment

ADMINISTRATIVE - INTERNAL USE ONLY

19 NOV 1985

ADPP 220-85

85-3826

12

MEMORANDUM FOR: Executive Director

THROUGH: Deputy Director for Administration

FROM: Allen R. Elkins  
Director of Finance

SUBJECT: Federal Managers' Financial Integrity Act

STAT

REFERENCE: [REDACTED] Internal Accounting and Administrative  
Control Systems

1. This paragraph provides the certification required of me by paragraph e(2) of reference to be used in support of the relevant portion of the Director's 1985 Report to the President and Congress in conformance with the Act. The certification which follows is based upon my assessment, with due attention to the guidelines provided by paragraph e(1)(a) of reference, of the operation of internal accounting and administrative controls throughout the Agency:

"To the best of my knowledge, during FY 1985 revenues and expenditures applicable to operations for which the Agency is responsible were accounted for, certified and recorded properly so that reliable financial and statistical reports could be prepared and accountability of assets maintained."

2. The subject Act also requires that the Director's Report include a statement on whether the accounting system of the Agency conforms to the principles, standards and requirements prescribed by the Comptroller General for observance by Federal Agencies. The certification which follows to support that portion of the Director's 1985 Report is based upon my assessment of staff evaluation of the conformance of the Agency accounting system with such principles, standards and requirements:

"To the best of my knowledge, Comptroller General principles, standards and related requirements for accounting systems have been and continue to be used as the guidelines against which the Agency Accounting System has been developed and is being maintained."

STAT

[REDACTED]  
Allen R. Elkins

DDIA Registry
35-4016

OGC-85-53418  
20 November 1985

**MEMORANDUM FOR:** Executive Director  
**THROUGH:** Deputy Director for Administration  
**FROM:** Stanley Sporkin  
**SUBJECT:** General Counsel's 1985 Federal Managers Financial Integrity Act Report

1. All attorneys in the Office of General Counsel have been surveyed to determine whether they are aware of any weaknesses or deviations in the Agency's system of internal accounting and administrative controls, in this Office or elsewhere in the Agency. Several items occurring outside of this Office were reported to me. However, in my opinion, these items may not represent material weaknesses in the Agency's system of internal accounting and administrative controls.
2. To the best of my knowledge, the activities within the Office of General Counsel during FY 1985 have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.

STAT

  
 Stanley Sporkin



ADMINISTRATIVE - INTERNAL USE ONLY

INSPECTOR GENERAL

85-800

OLL 85-3512  
13 November 1985

MEMORANDUM FOR: Executive Director

VIA: Inspector General

FROM: Charles A. Briggs  
Director, Office of Legislative Liaison

SUBJECT: Federal Managers' Financial Integrity Act

REFERENCE: Memorandum for the Director, OLL, from the  
Deputy Director for Administration (DDA 84-2661/8)

1. Pursuant to the referenced memorandum, I submit this statement  
on the activities and operations of the Office of Legislative Liaison.

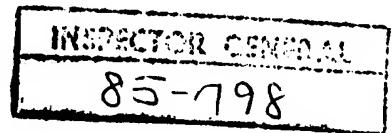
2. To the best of my knowledge, the activities taking place  
within the Office of Legislative Liaison during Fiscal Year 1985 have  
been appropriately approved and carried out in accordance with law and  
Agency regulations. Obligations are valid and are supported in  
accordance with Agency regulations. Expenditures have been properly  
approved. Due care has been exercised to protect resources from  
misuse and misappropriation. Activities have been managed in an  
efficient and effective manner. Internal accounting and  
administrative controls are operational and effective.

3. I will be glad to consult with you should you have any  
questions about this statement.

STAT

Charles A. Briggs (V)

ADMINISTRATIVE - INTERNAL USE ONLY



13 NOV 1985

MEMORANDUM FOR: Executive Director

THROUGH: Inspector General

FROM: Daniel A. Childs, Jr.  
Comptroller

SUBJECT: Federal Managers' Integrity Act

REFERENCE: [redacted] Internal Accounting and Administrative Control  
Directive dated 6 December 1983

(k)(1)

In compliance with Reference, the following statement is provided:

To the best of my knowledge, the activities taking place during FY 1985 within the Office of the Comptroller have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved. Due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.

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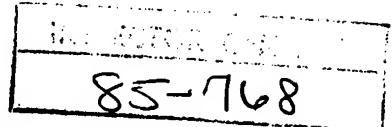


cc: IG  
DDA

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The Director of Central Intelligence  
Washington, D.C. 20505



NIC #05250/85

National Intelligence Council

25 Oct 1985

MEMORANDUM FOR: Executive Director  
VIA: Inspector General  
FROM: Robert M. Gates  
Chairman, National Intelligence Council  
SUBJECT: Statement of Internal Accounting and  
Administrative Control

STAT

REFERENCE: [redacted] dated 6 December 1983

To the best of my knowledge, the activities taking place during FY-85 within the National Intelligence Council, O-DCI, have been appropriately approved and carried out in accordance with law and Agency regulations. Obligations are valid and are supported in accordance with Agency regulations. Expenditures have been properly approved; and due care has been exercised to protect resources from misuse and misappropriation. Activities have been managed in an efficient and effective manner. Internal accounting and administrative controls are operational and effective.

STAT



Robert M. Gates

Distribution:

Orig - Addressee  
1 - Executive Registry  
1 - Inspector General  
1 - DDI  
1 - DDI Registry  
1 - AO/NIC

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AO/NIC [redacted] (22 October 1985)

Central Intelligence Agency



Washington, D.C. 20505

DDA Registry  
85-3826/14

20 DEC 1985,

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

As required by the Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255), this is my report to you on the systems of internal accounting and administrative controls of the Central Intelligence Agency (CIA), the Intelligence Community Staff (ICS), and the National Intelligence Emergency Support Office (NIESO) in effect for Fiscal Year 1985.

During the year a comprehensive statement of responsibilities and procedures for assuring full compliance with that Act was included as an integral part of the formal Agency regulatory system.

An evaluation of these systems was performed in reasonable accordance with the guidelines issued by the Office of Management and Budget. Senior officials in reporting the results of their respective evaluations were required to also evaluate the substance of findings of internal management reviews, staff reporting, and audit or inspection reports.

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Notwithstanding the foregoing, I am satisfied based upon the written certifications of responsible senior officials and evaluations of the findings of inspections and audits by the Office of the Inspector General that the CIA, ICS, and NIESO systems of internal accounting and administrative controls provide reasonable assurance that:

- (a) Obligations and costs comply with applicable law;
- (b) All assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and

The President

(c) Revenues and expenditures applicable to agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.

I further report to you that, to the best of my knowledge based upon the evaluation and written assurance of the responsible senior official, the accounting system of the Agency, which also supports ICS and NIESO, substantially conforms with the principles, standards, and requirements prescribed by the Comptroller General.

Statements similar to this one are being provided to the Chairmen of the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence.

Respectfully yours,

/s/ William J. Casey

William J. Casey  
Director of Central Intelligence

**SUBJECT: Report to The President**

**Distribution:**

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1 - IG  
1 - D/OF

Central Intelligence Agency



Washington, D.C. 20505

185-3826/15

20 DEC 1985:

The Honorable Dave Durenberger  
Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

As required by the Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255), this is my report to you on the systems of internal accounting and administrative controls of the Central Intelligence Agency (CIA), the Intelligence Community Staff (ICS), and the National Intelligence Emergency Support Office (NIESO) in effect for Fiscal Year 1985.

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STAT

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- (a) Obligations and costs comply with applicable law;
- (b) All assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and

The Honorable Dave Durenberger

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I further report to you that, to the best of my knowledge based upon the evaluation and written assurance of the responsible senior official, the accounting system of the Agency, which also supports ICS and NIESO, substantially conforms with the principles, standards, and requirements prescribed by the Comptroller General.

Statements similar to this one are being provided to The President and the Chairman of the House Permanent Select Committee on Intelligence.

Sincerely,

*/s/ William J. Casey*

William J. Casey  
Director of Central Intelligence

**SUBJECT: Report to the Chairman of the Select Committee on Intelligence**

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Central Intelligence Agency



Washington, D.C. 20505

185-3826/16

20 DEC 1985

The Honorable Lee H. Hamilton  
Chairman  
Permanent Select Committee on Intelligence  
House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

As required by the Federal Managers' Financial Integrity Act of 1982 (P.L. 97-255), this is my report to you on the systems of internal accounting and administrative controls of the Central Intelligence Agency (CIA), the Intelligence Community Staff (ICS), and the National Intelligence Emergency Support Office (NIESO) in effect for Fiscal Year 1985.

During the year a comprehensive statement of responsibilities and procedures for assuring full compliance with that Act was included as an integral part of the formal Agency regulatory system.

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STAT

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- (b) All assets are safeguarded against waste, loss, unauthorized use, and misappropriation; and

The Honorable Lee H. Hamilton

(c) Revenues and expenditures applicable to agency operations are recorded and accounted for properly so that accounts and reliable financial and statistical reports may be prepared and accountability of the assets may be maintained.

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Statements similar to this one are being provided to The President and the Chairman of the Senate Select Committee on Intelligence.

Sincerely,

*/s/ William J. Casey*

William J. Casey  
Director of Central Intelligence

**SUBJECT: Report to the Chairman of the House Permanent Select Committee on  
Intelligence**

**Distribution:**

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